

# Trinidad and Tobago: Opportunities Abound In Food Service and Retail Sectors

By Omar González

With its thriving economy and cultural diversity, relatively high annual per capita income (\$9,003), limited agricultural production, fairly open trade regime, English as the official language and strong U.S. influences, Trinidad and Tobago has proved to be an excellent and steady market for U.S. foods and beverages.

The food service and retail food sectors are vibrant commercial areas, driven by a growing economy and middle class, an increasing population and more women working outside the home.

Residents of both islands have acquired a taste for and loyalty to U.S. food products that have long been present in the market. U.S. exports of consumer-oriented agricultural products have doubled in the past seven years alone, reaching nearly \$40 million in calendar year 2001, with sales of snack foods, fresh fruits, and fruit and vegetable juices posting all-time highs.

In a typical year, the country imports \$184 million worth of consumer food products. About 30 percent is destined for the food service sector, and the remainder for the retail sector.

## Serving the Food Service Sector

Here, as in other areas, the two islands have distinct differences. While Trinidad's hotel, restaurant and institutional (HRI) food service sector relies on local and foreign business customers, Tobago's HRI sector depends almost entirely on tourists. High-end and family-style restaurants account for 75 percent of total food service

sales, followed by fast-food outlets with 15 percent and institutions with 10 percent.

Cuisine styles are as varied as the country's cultures, and one can find everything from *roti* (a local delicacy similar to a wrap) and Caribbean corn soup at street vendors to fine continental cuisine in four-star hotels. Trinidad and Tobago has a wide variety of dining facilities, ranging from upbeat and elegant to casual. Popular styles include Chinese (currently the trendiest), Caribbean, Creole, Indian, French, Italian, Thai and American. The twin island republic hosts over 600 traditional restaurants and another 185 fast-food eateries.

Approximately 95 percent of hotels and restaurants are locally owned. The only international hotel and restaurant chains with a market presence are Hilton, Crown Plaza, TGI Friday, Subway, Pizza Hut and KFC.

Most fine dining is found in the capital city of Port-of-Spain and on Tobago. La Ronde restaurants (of the Crown Plaza hotel chain) and Marquis restaurants (of the Hilton chain) are among the capital's most elegant.

In general, importers meet the needs of chefs and food and beverage managers by carrying their preferred brands. But importers also are interested in new, high-quality, affordable products, and may introduce them to their customers if suppliers provide promotional incentives.

When looking for new products, importers like to meet face-to-face with representatives and attend trade shows, such as the National Restaurant Association and Americas Food & Beverage shows.

Hotels and restaurants purchase food supplies from importers that typically wholesale and distribute the product. When restaurants need specific items or brands that local wholesalers do not carry, they import them directly.



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Fast-food chains like KFC, TGI Friday, Royal Castle and Subway import directly. TGI Friday imports 80-90 percent of its supplies from the United States.

Allied Caterers, the country's sole airline caterer, purchases products directly from suppliers or through local wholesalers. The company enjoys using U.S. products because of their consistency and quality, and prefers U.S. suppliers to local wholesalers because of their better pricing, relatively short delivery periods and reliable shipping.

New-to-market U.S. companies should be able to build on the high-quality image of U.S. products. However, it may be difficult for new products to compete with established brands, and it may be hard to find a wholesaler that does not carry a competing brand.

## Reaching the Retail Sector

About 70-80 percent of food products sold in Trinidad and Tobago's retail sector—from supermarkets to convenience stores to gas marts to mom-'n'-pop outlets—are imported. In the last 15 years, the market has become permeated by multinationals able to produce goods at lower cost, making it increasingly difficult for local manufacturers to compete. Many domestic companies have consequently shifted from manufacturing to distribution.

In recent years, a number of trends have taken place in the types of **supermarkets**

opening and the services they provide. Bigger stores with wide aisles and more check-out counters are becoming common.

Many supermarkets are increasing personalized services to attract and build loyalty among customers, particularly younger, middle- and working-class families and individuals. One major chain, JTA, has introduced the floor representative to answer customers' questions and help them find particular products or suggest substitutes. Another major trend in the retail food sector is the shift toward offering a wider range of U.S. imports because of their popularity, reputation for quality, convenience and fair price.

The best way to enter this market is through local wholesalers. Major chains such as Hi-Lo and PriceSmart expect product service, quality, affordability, reliability and consistency from suppliers.

**Convenience stores** and **gas marts** require frequent deliveries due to their small storage space. They depend on local wholesalers able to make frequent deliveries.

The Trinidad and Tobago National Petroleum Marketing Company (NP), with a network of 215 service stations, is the nation's sole marketer of petroleum fuels. NP's convenience stores are called Quik Shoppes. As the name connotes, Quik Shoppes have quick-service restaurants; they also carry a wide range of products, including grocery items, beverages and snacks.

**Traditional stores** include mom-'n'-pop shops, independent grocery stores, and street markets and vendors. Local wholesalers offer the best avenue for entering this market segment.

Independent grocery store owners like to buy from local wholesalers because their prices are lower, so they in turn can retail their goods at prices competitive with those of supermarket chains.

## Sizing Up U.S. Product Prospects

### Products already present in the market that have good sales potential:

HRI Sector	Retail Sector
Yogurt Juices Beef Turkey (whole and parts) Pork Produce	Cereals Fresh produce (e.g., bananas, apples, grapes, citrus, broccoli) Bottled juices Cake mixes Soups Meat products Cheeses

### Products not yet present in significant quantities but thought to have good potential:

HRI Sector	Retail Sector
Snack foods Ethnic food ingredients, sauces and other condiments for Indian, Thai, Japanese and Italian restaurants (in strong demand)	Healthy products or nutraceuticals (e.g., vitamins, low-fat foods, grain bars) Herbal products (e.g., teas) Non-Caribbean produce (e.g., raspberries, strawberries, black mushrooms) Pickled products Canned fruits

### Products thought to have good potential but to face market barriers:

HRI Sector	Retail Sector
Ice cream (certain brands) Beer and wines Specialty fresh produce (e.g., brussels sprouts, asparagus, artichokes) Processed fruits and vegetables	Meat and poultry products Ice cream (certain brands) Liquid milk Fish Wheat flour Rice Some vegetables Some fresh fruits Coffee Cocoa beans Sugar Most cooking oils and fats

Most independent grocery owners operate their stores—rent-free—out of their homes, and thus enjoy a huge advantage over other types of food stores. They usually cater to the micro-community, i.e., persons who live in and around a particular village or other small area. Patrons receive highly personalized service, and tend to be loyal. ■

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